

SUBCHAPTER A [RESERVED]

SUBCHAPTER B—REPORTS

PART 1420—REPORTS OF MOTOR CARRIERS

Sec.

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AUTHORITY: 49 U.S.C. 11142 and 11145 and 5 U.S.C. 553.

NOTE: The report forms prescribed by part 1420 are available upon request from the Office of the Secretary, Interstate Commerce Commission, Washington, DC 20423.

§ 1420.1 Annual and quarterly reports of motor carriers of property, motor carriers of household goods, and dual authority carriers.

(a) *Annual Report Forms M-1 and M-2.* All class I common and contract carriers of property, including household goods and dual authority motor carriers, shall file Motor Carrier Annual Report Form M-1. All class II common and contract carriers of property, including household goods and dual authority motor carriers, shall file Motor Carrier Annual Report Form M-2. The annual reports shall be filed on or before March 31 of the year following the year to which they relate. Class III motor carriers of property shall be exempt from filing any reports. For classification criteria, See § 1420.2.

(b) *Quarterly Report Form QFR.* All class I common motor carriers of property and class I household goods motor carriers shall complete and file motor carrier Quarterly Report Form QFR (Form QFR). The quarterly accounting periods shall end on March 31, June 30, September 30, and December 31. The quarterly reports shall be filed within 30 calendar days after the end of the reporting quarter.

(c) The quarterly and annual reports shall be filed in duplicate with the Office of Economics, Interstate Commerce Commission, Washington, DC 20423. Copies of these forms may be obtained from the Office of Economics.

[59 FR 5110, Feb. 3, 1994. Redesignated at 63 FR 52193, Sept. 30, 1998]

§ 1420.2 Classification of carriers—motor carriers of property, household goods carriers, and dual property carriers.

(a) Common and contract motor carriers of property subject to the Interstate Commerce Act are grouped into the following three classes:

Class I. Carriers having annual carrier operating revenues (including interstate and intrastate) of \$10 million or more after applying the revenue deflator formula in Note A.

Class II. Carriers having annual carrier operating revenues (including interstate and intrastate) of at least \$3 million but less than \$10 million after applying the revenue deflator formula in Note A.

Class III. Carriers having annual carrier operating revenues (including interstate and intrastate) of less than \$3 million after applying the revenue deflator formula in Note A.

(b)(1) The class to which any carrier belongs shall be determined by annual carrier operating revenues (excluding revenues from private carriage, compensated intercorporate hauling, and leasing vehicles with drivers to private carriers) after applying the revenue deflator formula in Note A. Upward and downward classification will be effected as of January 1 of the year immediately following the third consecutive year of revenue qualification.

(2) Any carrier which begins new operations by obtaining operating authority not previously held or extends its existing authority by obtaining additional operating rights shall be classified in accordance with a reasonable estimate of its annual carrier operating revenues after applying the revenue deflator formula shown in Note A.

(3) When a business combination occurs such as a merger, reorganization, or consolidation, the surviving carrier shall be reclassified effective as of January 1 of the next calendar year on the basis of the combined revenues for the year when the combination occurred after applying the revenue deflator formula shown in Note A.

(4) Carriers shall notify the Commission of any change in classification and any change in annual operating revenues that causes them to exceed the class I limit by writing to the Office of Economics, Interstate Commerce Commission, Washington, DC 20423. In unusual or extraordinary extenuating circumstances, where the classification process will unduly burden the carrier, such as partial liquidation, or curtailment or elimination of contracted services, the carrier may request from the Commission a waiver or an exception from these regulations. This request shall be in writing, specifying the conditions justifying the waiver or exception. The Commission shall notify

the carriers of any change in classification.

(5) Carriers not required to file an Annual Report (Form M-1 or Form M-2) may be required to file the Annual Carrier Classification Survey Form. All carriers will be notified of any classification changes.

(c) For classification purposes, the Commission shall publish in the FEDERAL REGISTER annually an index number which shall be used to adjust gross annual operating revenues. This index number (deflator) shall be based on the Producers Price Index of Finished Goods. Its intended use is to eliminate the effects of inflation from the classification process. See Note A that follows:

NOTE A: Each carrier's operating revenues will be deflated annually using the Producers Price Index (PPI) of Finished Goods before comparing those revenues with the dollar revenue limits prescribed in paragraph (a) of this section. The PPI is published monthly by the Bureau of Labor Statistics. The formula to be applied is as follows:

$$\text{Current year's annual operating revenues} \times \frac{1994 \text{ average PPI}}{\text{Current year's average PPI}} = \text{Adjusted annual operating revenues}$$

[52 FR 10383, Apr. 1, 1987, as amended at 59 FR 5111, Feb. 3, 1994; 59 FR 49848, Sept. 30, 1994. Redesignated at 63 FR 52193, Sept. 30, 1998]

§ 1420.3 Classification of carriers—motor carriers of passengers.

(a) Common and contract carriers of passengers subject to the Interstate Commerce Act are grouped into the following two classes:

Class I—Carriers having average annual gross transportation operating revenues (including interstate and intrastate) of \$5 million or more from passenger motor carrier operations after applying the revenue deflator formula as shown in the Note.

Class II—Carriers having average annual gross transportation operating revenues (including interstate or intrastate) of less than \$5 million from passenger motor carrier operations after applying the revenue deflator formula as shown in the Note.

(b)(1) The class to which any carrier belongs shall be determined by annual carrier operating revenues after applying the revenue deflator formula as shown in the Note. Upward and downward reclassification will be effected as of January 1 of the year immediately following the third consecutive year of revenue qualification.

(2) Any carrier which begins new operations (obtains operating authority not previously held) or extends its existing authority (obtains additional operating rights) shall be classified in accordance with a reasonable estimate of its annual carrier operating revenues after applying the revenue deflator formula shown in the Note.

(3) When a business combination occurs, such as a merger, reorganization, or consolidation, the surviving carrier shall be reclassified effective as of January 1 of the next calendar year on the basis of the combined revenues for the